

DEPARTMENT OF THE NAVY
HUMAN RESOURCES SERVICE CENTER NORTHEAST

EMPLOYEE BENEFITS UPDATE 01-05

Subject: Thrift Savings Plan – New Timeframes for Reporting Errors

DATE: 29 May 2001

The Executive Director of the Federal Retirement Thrift Investment Board (Board) has issued an amendment to the Thrift Savings Plan (TSP) error correction regulations (TSP Bulletin 01-20). This amendment shortens the timeframes for employees to report errors to their TSP account. Employees are reminded that they should carefully check the information contained in their TSP participant statements and the confirmation notices mailed to them by TSP after their contribution allocation and interfund transfer are processed and report any errors within the timeframes listed below.

ERRORS RELATING TO CONTRIBUTION AMOUNTS

The time period for employees to submit claims relating to contribution amounts (e.g., the employee elected to contribute 5% but the agency deducted only \$5) has been shortened to **six months** (from one year) unless the error was the result of an erroneous retirement coverage. However, if the error occurred more than six months before its discovery, the agency may correct it if, the agency determines that the correction is warranted. If the error resulted from erroneous retirement coverage, there is no time limit on the submission of claims. Claims relating to contribution amounts should be submitted to the Human Resources Service Center NE for correction.

ERRORS RELATING TO CONTRIBUTION ALLOCATIONS

The time period for employees to submit their claims relating to contribution allocations (e.g., the employee elected to invest 100% in C Fund and agency reported 100% in G Fund) has been shortened to **30 days**.

Errors made before May 1, 2001* – Employees must file their claims for correction of a contribution allocation error made before May 1, 2001 with the Human Resources Service Center NE no later than 30 days after the employee receives a TSP participant statement first reflecting the error. If an employee fails to file a claim for correction of this type of error, no such error can be corrected. Under the new regulations, agencies may NOT correct a contribution allocation error if the claim for its correction (or its discovery) is not made timely.

Errors made May 1, 2001 or later – Employees must file their claims for correction of a contribution allocation or interfund transfer error made May 1, 2001 or later, directly with TSP. These claims must be made no later than 30 days after receipt of the earlier of a TSP participant (or loan) statement or transaction confirmation reflecting the error.

TSP PARTICIPANT STATEMENTS

TSP has announced that participant statements will begin to be mailed out in mid-May and that all TSP participants should receive their participant statements by June 8, 2001. These statements list the participant's account activity for the last six months and should be reviewed very carefully. Any errors should be reported as soon as possible and no later than the timeframes indicated above.

ADDITIONAL INFORMATION

Additional information concerning the amendment to the TSP regulations can be found in TSP Bulletin 01-20 on the TSP Web site at: www.tsp.gov or in the *Federal Register* dated March 12, 2001. If you have any questions concerning this notice, please contact the HRSC-NE Benefits staff at phone numbers DSN 243 or CM 215/408-5619 or 4446. Hearing impaired employees may call our TDD number at 215/408-5449. You may also e-mail your questions to: benefits_ne@ne.hroc.navy.mil.

* After April 30, 2001, it will no longer be possible for agencies to make contribution allocation errors since after this date, agencies no longer report TSP contributions by investment fund. However, agencies will continue to be responsible for claims relating to contribution allocation errors made before May 1, 2001.